



COMMITTEE ON APPROPRIATIONS

David Price (D-NC), Chairman, Subcommittee on Homeland Security

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OPENING STATEMENT OF CHAIRMAN DAVID PRICE
Homeland Security Headquarters Facilities: St. Elizabeths and Beyond
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This morning we will review the progress made on the new Department of Homeland Security (DHS) headquarters at St. Elizabeths and the Administration's plans for further consolidating and rationalizing the DHS headquarters footprint.

For this discussion, we welcome DHS Under Secretary for Management Elaine Duke and from the General Services Administration (GSA), Public Buildings Service Commissioner Robert Peck.

Under Secretary Duke is well known to this Subcommittee, although this is her first time testifying before us. She has served in a variety of roles at DHS since coming over from the Department of Transportation when DHS was first established. She has served as Under Secretary for Management since June 2008, overseeing the management and administration of the entire Department. It is our understanding that she will be retiring at the end of the month, and I want to take this opportunity to thank her for her efforts to help keep our country safe.

Commissioner Peck is seven months into his second term as Commissioner of Public Buildings for GSA. In this role, he is responsible for the nationwide management of 362 million square feet of government-owned and leased office space. Before this term, Commissioner Peck served as a managing director of Jones Lang LaSalle, where he advised large clients on real estate portfolio strategy and on public-private, mixed-use developments.

When the Department of Homeland Security was assembled from 22 elements of other government agencies after the 9/11 attacks, it was clear that some aspects of building this new institution would have to be addressed at a later time. Exhibit A of this problem: over seven years after the creation of the Department, its

offices are still strewn across 50 locations around the Washington, DC area, listed on the charts you have before you. This scattershot layout increases operational costs, hurts morale, and makes it harder for the Department to work effectively as a unit.

To alleviate part of this problem, the Department has approved a \$3.4 billion master plan that would consolidate a great deal of the Department's headquarters onto the West Campus of St. Elizabeths – a nineteenth-century hospital campus east of the Anacostia River. This year, the Administration has requested \$287.8 million in the DHS budget, as well as \$380.3 million through GSA, to fund the completion of Phase I, the Coast Guard Headquarters, and to begin Phase II, the National Operations Center and infrastructure work.

We need to be clear -- St. Elizabeths resolves only part of the problem. The Department still needs an additional 5 million square feet of space to accommodate the rest.

The Administration last year put forward a \$75 million request for a down payment on consolidation of the Department's remaining leases to fewer locations. The Administration has returned with this proposal again this year, with a more detailed justification as we requested. The plan is to pull together the elements of the Department that will not move to St. Elizabeths to six other locations, as shown on the right side of this chart. Five of the six locations already house DHS elements – the sixth, shown on this chart as Mission Support, has yet to be formally identified.

Given the constraints on the budget this year and in the future, committing to additional significant investments in the Department's physical plant is not appealing at first. However, this is an action that will need to be taken at some point to improve the Department's efficiency, and it may well be more affordable to do this now rather than later. Investments in departmental facilities and management deserve careful consideration, and I'm afraid that critics of the 2011 budget request may have spent these funds many times over already.

What we want to learn from you today are a handful of simple things that fall into two categories:

First, what is the status of the St. Elizabeths project? Are we on time, are we on budget, and are we going to get the headquarters we need to help this Department operate more efficiently?

Second, how does the Administration justify this further consolidation initiative? What are the specific costs and benefits to this move?

Under Secretary Duke and Commissioner Peck, we look forward to an exploration of these questions and more today. Your full written statements will be placed in the record, so I ask you each to limit your remarks to a five minute presentation. Before we begin, let me recognize the distinguished Ranking Member, Hal Rogers, for his comments.

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